

BEFORE THE IDAHO BOARD OF TAX APPEALS

WOODSHED PROPERTIES, LLC  
CONSOLIDATED,

Appellant,

v.

MADISON COUNTY,

Respondent.

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APPEAL NOS. 15-A-1034 and  
15-A-1035

FINAL DECISION  
AND ORDER

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**RESIDENTIAL PROPERTY APPEALS**

These appeals are taken from two (2) decisions of the Madison County Board of Equalization denying protests of valuation for taxing purposes of properties described by Parcel Nos. RPRSNLGT080020 and RPRSNLGT080040. The appeals concern the 2015 tax year.

These matters came on for hearing September 22, 2015 in Rexburg, Idaho before Board Member David Kinghorn. Keven Snell appeared at hearing for Appellant. Shawn Boice represented Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

**The issue on appeal concerns the market values of two (2) residential townhomes.**

**The decisions of the Madison County Board of Equalization are modified.**

FINDINGS OF FACT

Appeal No. 15-A-1034 (Parcel No. RPRSNLGT080020)

The assessed land value is \$15,000, and the improvements' value is \$120,833, totaling \$135,833. Appellant contends the correct total value is \$124,300.

This subject is a 2010 townhome situated on a .016 acre parcel in the Snellgrove Townhomes development located in Rexburg, Idaho. The unit consists of 708 square feet on

the main level, 680 square feet in the upper floor, and 680 square feet in the unfinished basement. It has three (3) bedrooms, one and one-half (1 ½) bathrooms, and a single-car carport.

Appeal No. 15-A-1035 (Parcel No. RPRSNLGT080040)

The assessed land value is \$15,000, and the improvements' value is \$120,650, totaling \$135,650. Appellant contends the correct total value is \$124,300.

This subject is a .016 acre lot improved with a townhome constructed in 2010. It is improved with a three (3) bedroom, one and one-half (1 ½ ) bathroom unit, and a single-car carport. The residence is comprised of 704 square feet on the main level, 680 square feet in the upper level, and 680 square feet in the unfinished basement. The property is located in the Snellgrove Townhomes development in Rexburg, Idaho.

Because subjects are similar in most key aspects, and the parties presented the same market value evidence for both, this decision will address both subjects in a consolidate fashion.

Appellant reported there were 38 townhome sales in Rexburg during 2014. On appeal Appellant provided information concerning ten (10) of these. Though not in the same development as subjects, the sale properties were located in the nearby Meadows and Rock Creek developments. The sale properties were generally similar to subjects in design and quality of construction. There was some variance compared to subjects in terms of size, age, bedroom and bathroom count, and whether the sale properties included a carport or garage. Most of the comparable sales included finished basements. Appellant adjusted the sale prices, which ranged from \$104,000 to \$133,000, based on differences compared to subjects, for such factors as finished basement, garage or carport, and bathroom count. Adjusted sale prices

ranged from \$102,800 to \$124,300.

Respondent challenged some of the appraisal adjustments Appellant made. In particular, Respondent contended the \$15 per square foot adjustment for finished basement should have been closer to \$10 per square foot. Respondent also remarked the adjustment for garages and carports is roughly \$6,000 per bay. Appellant pointed out its \$1,800 adjustment for carports was understated, and this would further reduce the adjusted prices. Respondent additionally intimated some of Appellant's sales may have been distressed at the time of sale, however, did not identify which, if any, were indeed distressed.

In similar fashion, Respondent provided information related to ten (10) townhome sales for comparison to subjects. Five (5) of the sale properties were located in subjects' Snellgrove development, two (2) were from the Meadows development, and three (3) were from the Rock Creek development. Three (3) of the Snellgrove sales occurred in 2015, while the remaining two (2) transpired in 2013 and 2014. The units were similar to subjects in design, quality, size, and age, however, two (2) of the sales included finished basements. Sale prices ranged from \$129,000 to \$140,000. Both sales from Meadows occurred in 2014. These units were a little larger than subjects and both had finished basements. The sale prices were \$132,000 and \$133,000. The Rock Creek units, constructed in 2014, were somewhat smaller than subjects and did not include basements, though they did enjoy 400 square foot attached garages. These sale prices ranged from \$132,900 to \$135,900.

#### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving

full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2015 in this case. Market value is defined in Idaho Code § 63-201, as,

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

The cost approach, income approach, and sales comparison approach represent the three (3) primary methods for determining market value. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Residential property is commonly valued using the sales comparison approach. Both parties presented information relevant to a sales comparison approach to value.

Respondent provided information concerning ten (10) townhome sales from subjects' area. Included with the sales, however, were three (3) sales from mid-2015. Typically, the sales comparison approach considers market information from prior to the date of valuation, which is January 1, 2015 in this instance. The three (3) sales from 2015 occurred well beyond the effective valuation date and thus were disregarded in the Board's analysis.

Another concern the Board had with Respondent's sales data was the three (3) sales from the Rock Creek development involved units constructed in 2014. The units were also smaller than subjects and did not include any basement space. It was not clear how these key differences were considered or adjusted for in Respondent's analysis. As a result, less weight was afforded Respondent's Rock Creek development sales.

Like Respondent, Appellant provided information regarding townhome sales in the Meadows and Rock Creek developments. The three (3) Rock Creek sales involved townhomes similar in age to subjects, however, they did not have basements. Another key difference was the Rock Creek sale properties included an attached garage, which subjects do not similarly enjoy. The primary differences between subjects and the Meadows sale properties were the Meadows properties had finished basements, but no carports. Recognizing some of these important differences, Appellant made adjustments to the sale prices to arrive at adjusted sale prices ranging from \$102,800 to \$124,300.

The key difference between the parties' respective analyses was Appellant's attempt to account for differences between subjects and the sale properties. Respondent did not similarly attempt to adjust its sales for comparison with subjects, but rather simply reported sale prices. Again, the Board was unable to determine how Respondent arrived at subjects' values with the information presented. Overall, the parties provided the Board with a good amount of timely sales data. Giving primary weight to the 2014 sales most comparable to subjects, the Board finds sufficient support for adjusting subjects' values.

Idaho Code § 63-511 requires Appellant demonstrate error in subjects' assessed values by a preponderance of the evidence. On the record before us, that burden of proof was satisfied in this instance. As a result, the Board will reduce the value of subjects' improvements to \$117,000, with no change to the \$15,000 land values, resulting in total values of \$132,000 for each subject. The decisions of the Madison County Board of Equalization are modified as indicated.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Madison County Board of Equalization concerning the subject parcels be, and the same hereby are, MODIFIED as follows:

Appeal No. 15-A-1034 (Parcel No. RPRSNLGT080020)

Land:	\$15,000
<u>Improvements:</u>	<u>\$117,000</u>
Total:	\$132,000

Appeal No. 15-A-1035 (Parcel No. RPRSNLGT080040)

Land:	\$15,000
<u>Improvements:</u>	<u>\$117,000</u>
Total:	\$132,000

IT IS FURTHER ORDERED, pursuant to Idaho Code § 63-1305, any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

Idaho Code § 63-3813 provides that under certain circumstances the above ordered values for the current tax year shall not be increased in the subsequent assessment year.

DATED this 1<sup>st</sup> day of February, 2016.